

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

DATE: SEPTEMBER 5, 2019

LOCATION: ROOM 2000 - CITY HALL

DRAFT AGENDA

1. Introductions and Chair remarks (Chair) 7:00 p.m.
2. Housing Contributions Workgroup Discussion (Staff) 7:05 p.m.
Action Requested: Review Draft Recommendations and Provide Comment Letter
3. Eisenhower East Small Area Plan Update (Jose Ayala/Tamara Jovovic) 7:40 p.m.
Action Requested: Review Draft Recommendations and Provide Comment Letter
4. AHAAC Annual Report to City Council (Tamara Jovovic) 8:00 p.m.
Action Requested: Review Draft Report
5. Regional Housing Initiative (Helen McIlvaine) 8:05 p.m.
6. 2020 General Assembly Legislative Package Recommendations
(Helen McIlvaine/Michelle Krocker) 8:15 p.m.
Action Requested: Discuss and Vote to Submit Recommendation(s)
7. Housing Summit (Tamara Jovovic) 8:20 p.m.
8. Consideration of June 6, 2019 meeting minutes (Chair) 8:25 p.m.
Action Requested: Review and Vote to Approve Minutes
9. Alexandria Redevelopment and Housing Authority Update (Carter Flemming) 8:30 p.m.
10. Alexandria Housing Development Corporation Update (Jon Frederick) 8:35 p.m.
11. Information Items: 8:40 p.m.
Financial Report
FY 19 Housing Master Plan Progress Report
12. Staff Updates 8:45 p.m.
13. Announcements and Upcoming Housing Meetings (Staff) 8:50 p.m.

ARHA Redevelopment Work Group

Regular Meeting, September 16; 5:30 pm, City Hall, Council Work Room

FY2019 CAPER

Public Hearing, September 19; 7:00 pm, City Hall, Sister Cities Room 1101

Housing Contribution Workgroup

City Council Legislative Session, October 2; 7:00 pm, City Hall

Planning Commission Public Hearing, October 3; 7:00 pm, City Hall

City Council Public Hearing, October 19; 9:30 am, City Hall

Eisenhower East Small Area Plan Update

Planning Commission Public Hearing, October 3; 7:00 pm, City Hall

City Council Public Hearing, October 19: 9:30 am, City Hall

14. Other

8:55 p.m.

Adjournment (Chair)

9:00 p.m.

City of Alexandria, Virginia

MEMORANDUM

DATE: AUGUST 26, 2019

TO: THE HOUSING CONTRIBUTIONS WORKGROUP

FROM: HELEN S. MCILVAINE, DIRECTOR

SUBJECT: DRAFT HOUSING CONTRIBUTIONS SUMMARY RECOMMENDATIONS

Thank you for participating in the 2019 Housing Contributions Workgroup. We appreciate the candid and thoughtful insights, comments and feedback you have provided throughout this process. The workgroup was convened at the direction of City Council to examine whether the City's affordable housing contribution procedures effectively address and capture value generated through existing and emerging land use trends, specifically rezonings, master plan amendments, commercial to residential building conversions, and senior housing projects. A key goal was to provide greater clarity, consistency, and certainty with respect to the City's affordable housing contribution policies. The recommendations and subsequent contributions resulting from this process will be used as the baseline for an upcoming consultant assessment to inform whether the City should consider an inclusionary zoning housing policy in the future.

While staff hoped to attain consensus among workgroup members, it was not possible as members held a range of viewpoints based on varying interests. Staff has tried to identify recommendations and potential compromises which address these different perspectives, reflect market dynamics and development economics, and are informed by the housing policies, practices, and experiences of our neighboring jurisdictions. The draft recommendations provided for your review serve as a summary of the core of the report. The full report, scheduled to be released on September 24, will present the diversity of opinions shared during the process as was pledged at each group meeting.

We encourage you to provide feedback on the draft summary recommendations by September 6, if possible. Staff will be introducing the HCWG report and recommendations at the October 2 City Council legislative session and the October 3 Planning Commission public hearing. City Council will hold a public hearing on the report on October 19. As a stakeholder in this process, your attendance at these meetings is welcome, and there will be opportunities for you to present testimony at the two public hearings if you would like.

Thank you again for your continued involvement in this process.

ATTACHMENTS:

(1) Draft Summary Recommendations

STAFF:

Karl Moritz, Director, Department of Planning and Zoning

Eric Keeler, Deputy Director, Office of Housing

Tamara Jovovic, Housing Analyst, Office of Housing

ATTACHMENT 1: HOUSING CONTRIBUTIONS SUMMARY RECOMMENDATIONS
DRAFT FOR HCWG REVIEW 08.26.19

Table 1—REZONINGS

Development Type	Current Procedures	Staff Recommended Procedures
Development permitted by-right	Commercial: Voluntary commercial contribution	No change to current procedures
	Residential: Voluntary Tier 1 residential contribution	<i>Notes</i> In response to feedback, staff recommends contributions not be indexed (increased) at this time to align with the delivery of units; currently the City’s policy is to index developer infrastructure contributions.
Development permitted w/special use permit or with a master plan amendment involving a change in land use	Commercial: Voluntary commercial contribution	No change to current procedures
	Residential: Voluntary Tier 2 residential contribution	<i>Notes</i> In response to feedback, staff recommends: <ul style="list-style-type: none"> - contributions not be indexed (see above); - a new higher “Tier 2” commercial rate not be established for commercial development constructed with a SUP in recognition of the important role commercial development plays in supporting the City’s tax base and in generating new jobs.
Development permitted through rezoning involving an increase in density and associated with a new SAP or amended SAP Major master plan amendment that involves an increase in density beyond that recommended in a SAP approved as of the effective date of this Policy	Commercial: Commercial contribution Residential: Negotiated (typically Tier 2 residential contribution or percentage of units at 60% AMI)	Commercial: Required commercial contribution Residential: Required on-site contribution (or contribution of equivalent value) <u>Base expectation:</u> 5% of increase in residential development at 60% AMI (for-sale requirement of equivalent value) <u>Goal:</u> Consistent with SAP or 10% [minimum 6% at 60% AMI with balance at up to 70% AMI] of increase in residential development (for-sale requirement of equivalent value) <ul style="list-style-type: none"> ▪ Flexibility may be considered on a case-by-case basis for redevelopment projects that have current income-generating uses. Factors to be considered may include the size, nature, estimated revenue and operations of the business(es); proposed use(s); and level of additional density being requested. <u>Stretch Goal:</u> 15% (includes leveraged units through public-private partnerships)
		<i>Notes</i> In response to feedback, staff recommends: <ul style="list-style-type: none"> - a new higher “Tier 2” commercial rate not be established for commercial development associated with additional density (see above); - the new policy be restricted to new and amended SAPs and major MPAs involving additional density in recognition of the fact that existing SAPs have already determined a community benefits package through the planning process. Initial draft recommendations had suggested the requirement apply to <i>all</i> rezoning applications seeking additional density. - the requirements for for-sale units to be of equivalent value depending on market conditions and comparables at the time of DSUP submission; - broadening the goal’s level of affordability to include units

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		<div>affordable at up to 70% AMI;</div> <div>- providing flexibility on a case-by-case basis for redevelopment projects with existing income-generating uses in recognition that the economics of redevelopment can be particularly challenging if they involve operating on-site businesses.</div>
All contribution rates referenced above are consistent with published Procedures Regarding Affordable Housing Contributions unless otherwise noted.		

ATTACHMENT 1: HOUSING CONTRIBUTIONS SUMMARY RECOMMENDATIONS
DRAFT FOR HCWG REVIEW 08.26.19

Table 2—COMMERCIAL BUILDING CONVERSIONS

Development Type	Current Procedures	Staff Recommended Procedures
Permitted conversion w/building permit	No contribution expectations	No change to current procedures
Permitted conversion w/site plan, special use permit and/or with a MPA involving a change in land use that results in a multifamily or senior housing project	No established procedures. Contributions offered, including on-site units at 60, 70, and 80% AMI.	Residential: New voluntary building conversion contribution (proposed to be \$1.50 in 2019 dollars per converted square foot) or equivalent on-site contribution <ul style="list-style-type: none"> ▪ Previous affordable housing contributions would be credited towards any voluntary building conversion contributions ▪ Staff recommends contributions be permitted to be converted to units affordable at up to 70% AMI ▪ Staff recommends offering projects the option to provide monetary contributions up to 12 months after the project secures its final Certificate of Occupancy to allow time for project revenues to stabilize
		<i>Notes:</i> In response to feedback, staff lowered the proposed new voluntary conversion contribution rate by one third (from the commercial rate of \$2.24/square foot to \$1.50/square foot) to reflect potential lower market rents and complexities in conversions.

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DRAFT FOR HCWG REVIEW 08.26.19

Table 3—SENIOR HOUSING PROJECTS

Development Type	Current Procedures	Staff Recommended Procedures
Development permitted w/special use permit or with a master plan amendment involving a change in land use	Voluntary contributions (no precedents)	Commercial: Voluntary commercial contribution Residential: Voluntary monetary contribution or voluntary on-site contribution <u>Base expectation:</u> Residential Tier 1 and Tier 2 on senior housing, and Commercial contribution on commercial uses that are open to the public or operate independently from the senior housing facility under a lease or condominium arrangement <u>Assisted Living/Memory Care Goal:</u> 1% of units permitted under existing zoning (minimum of one unit) at AG level or discounted units of equivalent value <u>Independent Living Goal:</u> 1% of units permitted under existing zoning (minimum of one unit) at 70% discount on housing, services, and fees, or discounted units of equivalent value
		<i>Notes</i> In response to feedback: <ul style="list-style-type: none">- staff has reduced the proposed voluntary goal from 2% to 1%;- staff recommends the adoption of a text amendment to exclude the floor area associated with senior affordable units from the project’s overall floor area;- staff recommends no contribution be anticipated on any ancillary commercial development if affordable units are provided.
Permitted development through rezoning involving increase in density	Contributions offered, including on-site units at 40% discount and at auxiliary-grant (AG) level of subsidy, and monetary contributions.	Residential: Required on-site contribution or monetary contribution of equivalent value <u>Assisted Living/Memory Care base expectation:</u> 2% of units permitted through increase in density (minimum one unit) at AG level or discounted units of equivalent value <u>Assisted Living/Memory Care Goal:</u> 3% of units permitted through increase in density (minimum one unit) at AG level or discounted units of equivalent value <u>Independent Living base expectation:</u> 2% of units permitted through increase in density (minimum one unit) at 70% discount on housing, services, and fees, or discounted units of equivalent value <u>Independent Living Goal:</u> 3% of units permitted under existing zoning (minimum of one unit) at 70% discount on housing, services, and fees, or discounted units of equivalent value
		<i>Notes</i> In response to feedback: <ul style="list-style-type: none">- staff has reduced the proposed goal from 4% to 3%;- staff has introduced the new, lower base expectation of 2%;- staff recommends no contribution be anticipated on any ancillary commercial development if affordable units are provided.
All contribution rates referenced above are consistent with published Procedures Regarding Affordable Housing Contributions unless otherwise noted.		

Next Steps and Implementation

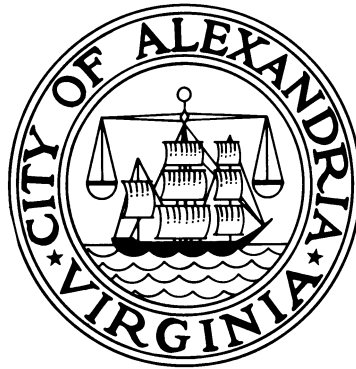
Next steps include the following:

- Update the Procedures on Affordable Housing Contributions based on City Council direction. The updated Procedures will provide a baseline for the upcoming assessment of the City adopting an inclusionary zoning policy, including seeking any necessary legislative authorities;
- Explore regulatory changes to further incentivize affordable housing production, including context-sensitive modifications to the bonus heights provisions of Section 7-700 and new exemptions to floor area maximums in exchange for affordable senior housing;
- Identify and evaluate financial tools and advocacy actions to further incentivize affordable housing production, including tax-related tools and the potential timing of contributions;
- Evaluate waivers for community amenity or infrastructure fees incurred by affordable housing projects; and
- Advocate for increase in Northern Virginia's monthly cap on supplemental assistance under the Auxiliary-Grant program.

Master Plan Amendments involving last use changes (but involving a rezoning)

During the HCWG process, it was agreed that, at this time, a new contribution requirement (tier) would not be established for commercial and residential development involving a land use change. However, as part of its implementation tasks, staff recommend that the City's Procedures be clarified to reflect how land use changes should be treated in the case of Coordinated Development District (CDD) applications in order to provide consistency. In cases where commercial development is being converted to residential, residential by-right density permitted under the CDD's underlying zoning (i.e., the zoning that preceded the CDD rezoning or the zoning designated to serve as the CDD's underlying zoning) should fall under the voluntary Residential Tier 1 contribution rate. Residential development that results from a conversion of approved non-residential uses and exceeds density permitted by-right should fall under the voluntary Residential Tier 2 contribution rate.

**The Alexandria Housing Affordability Advisory
Committee
FY19 (July 2018-June 2019) Annual Report**



DRAFT August 2019

The Alexandria Housing Affordability Advisory Committee (AHAAC)
FY18 Annual Report, July 2018-June 2019

The Alexandria Housing Affordability Advisory Committee (AHAAC) comprises members appointed by the Alexandria City Council and is staffed by the Office of Housing. A list of the committee positions and members during Fiscal Year 2019 is included at the end of this report. The purpose of the committee is to advise City Council on issues regarding the preservation and creation of affordable housing; make recommendations on policies governing the expenditures of the City's Housing Trust Fund (HTF) and Housing Opportunities Fund monies; review affordable housing plans; work with staff to monitor the implementation of the Housing Master Plan and the Beauregard Small Area Plan; and to oversee the administration of the HTF. AHAAC held eleven meetings during the annual reporting period.

Four new members joined the Committee, including a person who is an employee of the City, a person representing housing consumers under the age of 30, a developer of residential property, and a financial professional with knowledge and experience in the field of finance. As of June 2019, the Committee has three vacancies for its faith-based, small business representative, and Commission on Persons with Disabilities-appointed positions.

FY 19 Accomplishments Overview

- Recommended approval of an additional \$700,000 permanent loan to AHDC for the Gateway at King and Beauregard (The Nexus) project to address escalating construction costs.
- Recommended approval of an additional \$1.7 million permanent loan to AHDC for the Carpenter's Shelter (The Bloom) project to address escalating construction costs.
- Recommended approval of a \$7.65 million permanent loan to Wesley Housing for the Fairlington Presbyterian Church project which proposes to deliver 81 units affordable to households with incomes ranging between 40% and 60% AMI. Approved the application's affordable housing plan. Endorsed provision of a grant of \$270,000 from HTF to provide a rental subsidy to make nine units deeply affordable.
- Recommended approval of an additional \$940,000 permanent loan to AHC for the Church of the Resurrection (The Spire) project to address escalating construction costs.
- Recommended approval of a \$145,000 loan to the Friends of Guest House to support the renovation of a new leased facility at 120 S. Payne Street.
- Recommended approval of a \$450,000 loan to Sheltered Homes of Alexandria to support the renovation and associated infrastructure improvements of Bellefonte Apartments.
- Recommended approval of a \$1.8 million permanent loan to AHDC to acquire, renovate and preserve the Ellsworth Apartments as housing affordable to households with incomes between 50% and 60% AMI.
- Approved an affordable housing plan for the 1200 North Henry project which proposes to deliver 11 affordable rental units, in addition to providing a HTF contribution.
- Approved an affordable housing plan for the Silverstone Senior Living project which proposes to deliver seven auxiliary-grant (AG) funded units.
- Approved an affordable housing plan for the Monday Properties project.

- Approved an affordable housing plan for the Greenhill North Coordinated Development District which proposes to deliver up to 164,000 square feet of affordable housing, in addition to providing a HTF contribution.
- Approved an affordable housing plan for the WMATA Bus Barn project which proposes to deliver 12 affordable rental units, in addition to providing a HTF contribution.
- Approved an affordable housing plan for the Greenhill South Coordinated Development District which proposes to deliver 5 affordable rental units, in addition to providing a HTF contribution.
- Provided representatives to attend community and advisory group meetings and give feedback on four planning efforts—Resolution 830 Modernization Process (Dan Brendel), the Eisenhower West/Landmark Van Dorn Implementation Advisory Group and Landmark Mall Small Area Plan Update (Bill Harris), and the Braddock Implementation Advisory Group (Robyn Konkel).
- Monitored meetings of the ARHA Redevelopment Work Group.
- Reviewed and provided guidance on a quarterly basis on the implementation timeline of the Housing Master Plan.
- Received updates on and provided counsel to the FY19 budget process.
- Received updates on the Green Building Policy Update process.
- Received updates on the Eisenhower East Small Area Plan Update.
- Participated in the 2019 Housing Contributions Workgroup.

During the past year, AHAAC dealt with the following funding requests, affordable housing plans, and issues:

A. Housing Funding Requests: During the reporting period, AHAAC voted on seven funding requests described below.

1. **Gateway at King and Beauregard (The Nexus):** In September AHAAC considered AHDC's request for additional loan funds of \$700,000 to address recent escalations in construction costs and uncertainty regarding the pricing of materials in the future due to tariff issues. In November 2015, at AHAAC's recommendation, City Council approved a loan to AHDC of up to \$5.5 million (including a previously authorized predevelopment loan of \$350,000) for a 74-unit affordable housing building that is part of the Gateway at King and Beauregard (now branded "West Alex") mixed-use development. The requested increase brought the total loan to \$6.2 million. **AHAAC voted to approve the loan request with one abstention.**
2. **Carpenter's Shelter (The Bloom):** In September AHAAC also considered AHDC's request for additional loan funds of \$1.7 million to address recent escalations in constructions costs and uncertainty regarding the pricing of materials in the future due to tariff issues. In December 2016, at AHAAC's recommendation, City Council approved a loan to AHDC of up to \$7.1 million (including a previously authorized predevelopment loan of \$500,000) for a 97-unit affordable housing building to be developed in conjunction with, and above, a new Carpenter's Shelter facility. Once completed, the residential building will contain a mix of 87 units affordable at 40-60% of the area median income (AMI) and 10 deeply affordable units that will serve

households transitioning from chronic homelessness, including case management support from Carpenter's Shelter.

AHDC had been able to absorb several rounds of increases due to the cushion provided by its state and national housing grant award totaling \$1.6 million, increased VHDA loan funding, and deferral of more of its developer fee; however, a gap projected to be up to \$1.7 million remained to be closed in 2018. **AHAAC voted to approve the loan request with one abstention.**

3. **Fairlington Presbyterian Project (Waypoint at Fairlington):** In October AHAAC considered Wesley Housing's proposed affordable housing plan and request for a permanent loan of up to \$7.65 million (including \$400,000 of previously approved predevelopment funds) for the proposed development of 81 apartments affordable at 40-60% AMI on an underutilized parking lot currently serving Fairlington Presbyterian Church. The project meets several City housing needs articulated in the Housing Master Plan, including collaborating with and among nonprofit partners, providing deeply affordable, accessible, and family-size units, and locating affordable housing development near transit and amenities. Once completed, the project will provide a mix of studios, one-, two-, and three-bedroom apartments, including nine fully accessible units. The units will be committed as affordable housing for 40 years.

The Committee also considered a grant of \$270,000 to support rental assistance subsidy via the City's pilot program to make nine units in the project deeply affordable. **AHAAC voted unanimously to approve the affordable housing plan, loan request, and grant.**

4. **Church of the Resurrection (The Spire):** In April AHAAC considered AHC Inc.'s request for additional loan funds of \$940,000 to address increases in construction costs, the complexity of the financing structure (which includes a ground lease), and soft costs. In December 2017 AHAAC approved AHC Inc.'s request for a permanent loan of up to \$8.4 million (including \$565,000 of previously approved predevelopment funds) for the proposed redevelopment of the Church of the Resurrection site to provide 113 apartments. (As part of the redevelopment, the church will construct a new building on the southern portion of the site to continue its worship ministry, food pantry, and other community services.) The proposed rental units in the affordable building will serve incomes ranging between 40% and 60% AMI and provide a mix of one-, two- and three-bedroom apartments, including 12 fully accessible units. The Committee at the time also endorsed City Council's provision of a \$350,000 grant from the HTF to create 12 deeply affordable units as part of the project. It is noted that the loan was subsequently increased to up to \$9.0 million to allow for the undergrounding of extensive and complex utilities.

AHC had been able to absorb several rounds of increases in the project budget through its \$1.12 million State and National Housing Trust grant award, increased private loan funding from Freddie Mac, and a Federal Home Loan Bank loan of \$500,000; however, a gap projected to be up to \$940,000 remained to be closed in 2019. **AHAAC voted unanimously to approve the loan request.**

5. **Friends of Guest House:** In June 2019 AHAAC considered a loan of \$145,000 to the Friends of Guest House to support the renovation of 120 S. Payne Street which will expand and help consolidate the organization's residential program. The Committee had previously submitted a letter of support on behalf of the organization's SUP application. **AHAAC voted to approve the loan request.**
6. **Bellefonte Apartments:** In June 2019 AHAAC considered a loan of \$450,000 to Sheltered Homes of Alexandria to complete the funding package to renovate Bellefonte Apartments in Del Ray. The Bellefonte Apartments, located at 417 E. Bellefonte Avenue in Del Ray, is a 12-unit apartment complex owned by Sheltered Homes of Alexandria (SHA), a local nonprofit entity that owns housing for adults with intellectual and development disabilities. The proposed refinancing and renovation project is a partnership between SHA and AHDC which is providing development consulting service. While no City financial support was initially anticipated, an off-site stormwater improvement with an estimated cost of \$300,000 is required to connect the building to the City's stormwater system. The scope of work also includes closing a curb cut to the parking lot and replacing an accessible ramp to the group home. The Committee was also briefed on the temporary relocation plan for the twelve residents and their caseworkers at Southern Towers. **AHAAC voted to approve the loan request with one abstention.**
7. **The Ellsworth:** In June 2019 AHAAC considered AHDC's loan request for \$1.8 million to acquire, renovate and preserve the Ellsworth Apartments as committed affordable housing. The Ellsworth Apartments is a 20-unit garden-style rental property located at 2801 Seay Street, across the street from AHDC's 41-unit Longview Terrace Apartment complex. Purchasing the property will not only enhance housing affordability in a corridor that is likely to redevelop over the next several decades and provide a potential future land banking/redevelopment opportunity, but will also provide operational efficiencies to AHDC immediately if it consolidates property management and maintenance services for Longview Terrace and the Ellsworth. AHDC will preserve four of the 20 units at rents affordable at 50% AMI, with the remaining 16 units affordable at 60% AMI. No residents will be displaced. **AHAAC voted to approve the loan request with one abstention.**

B. Affordable Housing Plans: During the reporting period, AHAAC voted on six affordable housing plans that were included as part of the development process.

1. **1200 North Henry:** The site is located at 1200 North Henry Street within the Braddock Small Area Plan. The applicant proposed to construct an approximately 115 rental unit project with 17,000 square feet of ground-level retail and 10,000 square feet for a daycare use. As part of proposed project, the applicant requested a master plan amendment, rezoning, and bonus density and height for the provision of affordable housing.

In exchange for the application of bonus density and height, the project will provide 11 rental units affordable at 60% AMI for a 40-year period. In addition, the applicant agreed to provide a voluntary monetary contribution to the Housing Trust Fund in the amount of

\$263,583. **At its August meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

2. **Silverstone Senior Living:** The site is located on Landbay H-West in South Potomac Yard; the parcel is bounded by Mainline Boulevard, Maskell Street, Route 1, and East Swann Avenue. The applicant proposed to construct two senior-living buildings—a nine-story building with approximately 186 assisted living units and an eight-story building with approximately 146 independent living units—along with approximately 12,000 square feet of ground floor retail. A portion of the first facility will be assigned to provide care to residents with memory care or other cognitive needs.

The applicant presented three options for the Committee's consideration: 14 units discounted by 40%, nine units discounted by 60%, and seven deeply affordable Auxiliary-Grant (AG) funded units. The contribution of the units was valued at approximately \$19-25 million. **AHAAC selected the third option and voted unanimously to approve the applicant's Affordable Housing Plan at its October meeting.**

3. **2000 North Beauregard/Monday Properties:** The site is located at 2000 North Beauregard Street within the Adams Neighborhood of the Beauregard Small Area Plan (BSAP). The applicant proposed to replace a vacant office building with an approximately 300-unit multifamily building. The Committee acknowledged the project's potential as a development catalyst and determined it would expand housing choice in the BSAP and contribute approximately \$1.7 million in Housing Trust Fund dollars in the future. It also underscored the importance that future development in the neighborhood include affordable units consistent with the CDD conditions and that the City's future buy down option to secure committed affordability in up to 15% of future units be preserved. **At its September meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

It is noted that the during the October public hearing, the applicant subsequently agreed to provide five rental units affordable at 60% AMI for 40 years.

4. **Greenhill North:** The 14.9-acre site is bounded by South Pickett Street, Edsall Road, and South Van Dorn Street and falls within in the Landmark Van Dorn Small Area Plan. The applicant presented two mixed-use options—one predominantly residential and one with a balance of office and residential uses. As part of proposed project, the applicant requested a master plan amendment, rezoning, and bonus density for the provision of affordable housing.

The applicant agreed to provide a contribution to the Housing Trust Fund (estimated to be \$7.68 million, in 2019 dollars, at the time of full buildout) in addition to up to 164,000 square feet of affordable housing units associated with the use of Section 7-700. **At its November meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

5. **Bus Barn:** The site is located at 600 North Royal Street within the Old Town North Small Area Plan. The applicant proposed to construct an approximately 287-rental unit project. As part of proposed project, the applicant requested a rezoning and bonus density for the provision of affordable housing.

In exchange for the application of bonus density, the project will provide 12 rental units affordable at 60% AMI for a 40-year period. In addition, the applicant agreed to provide a voluntary monetary contribution to the Housing Trust Fund in the amount of \$846,470. **At its January meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

6. **Greenhill South CDD:** The 5.44-acre site is located at 600 S. Pickett Street in the Eisenhower West Small Area Plan (EWSAP) area. The applicant proposed to demolish the existing commercial uses and construct approximately 14,000 square feet of retail and 931,540 square feet of residential development. As part of the project, the applicant requested a rezoning and a Coordinated Development District Concept Plan to develop the site with a mix of land uses as envisioned in the 2015 EWSAP.

The applicant agreed to provide a contribution to the Housing Trust Fund (estimated to be \$4.6 million, in 2019 dollars, at the time of full buildout). In addition, the applicant agreed to provide five committed affordable units for a 40-year period. **At its June meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

C. Housing Trust Fund Overview: FY 19

\$3 million was pledged; \$1.4 million was received; and \$1.7 million was expended from the Housing Trust Fund.

D. Housing Master Plan:

AHAAC is an important champion and steward of the Housing Master Plan. The Committee helped monitor implementation through:

- Quarterly review of the Housing Master Plan Progress Report
- Regular updates on the activities of AHDC and ARHA
- Distribution of educational and outreach materials produced by staff in FY19, including the City's Microunits Report.

E. Small Area Plans and Planning Initiatives:

AHAAC was actively engaged in various planning efforts throughout the year, including the South Patrick Street (Route 1 South) Housing Affordability Strategy, the Braddock Implementation Advisory Group (BIAG), the Landmark Mall Small Area Plan Update, and the Eisenhower East Small Area Plan Update.

The Committee also received updates on the proceedings of the:

- ARHA Redevelopment Work Group
- Resolution 830 modernization process
- Green Building Policy Update

- South Patrick Street (Route 1 South) Housing Affordability Strategy implementation process
- The City's response to Virginia Tech's Innovation Campus and Amazon HQ2

F. Other

AHAAC advised the City Council on potential priorities to be put forward before the General Assembly as part of the City's annual legislative packet. At the City Manager's request AHAAC provided feedback regarding FY2019 budget priorities.

Chair Robyn Konkel participated in a Housing Work Session with City Council in February 2019 and presented AHAAC's mission and current projects. She also represented AHAAC in the quarterly Boards and Commissions meetings convened by DCHS.

AHAAC members participated in the 2019 Housing Contribution Workgroup convened to help establish greater consistency, certainty and clarity regarding affordable housing contribution procedures for rezonings involving additional density, senior housing projects, and commercial building conversions.

In an effort to enhance coordination of activities and policy priorities among city commissions and boards, AHAAC conducted outreach to the Environmental Policy Commission (EPC) and the Commission on Aging (COA).

1. In December AHAAC held a joint work session with the EPC during which the two bodies discussed their work programs and opportunities to collaborate; subcommittees of the two bodies subsequently held a follow up meeting in April. Members discussed the interconnectivity of, as well as potential tension between, affordability and sustainability and potential tools and initiatives, including the use of CPACE, green zones, and SparkFund, as well as the establishment of heightened baseline environmental standards. AHAAC members discussed the importance of preserving the City's existing bonus density and height zoning program (Sec. 7-700). EPC members underscored the critical role well-designed density plays in enhancing housing affordability, in particular when constructed near mass transit.
2. In January AHAAC held a joint work session with the Commission on Aging (COA). As a result of the meeting, the Office of Housing worked with the COA on incorporating clearer universal design recommendations for affordable housing projects seeking new construction funding through the City's Housing Opportunity Fund.

In June, AHAAC voted to elect a new chair, Michelle Krockner.

Committee Composition (voting members): 19

- 1 Builder or developer of residential property
- 1 Real estate professional with knowledge and experience in residential real estate
- 1 Landlord of residential property in the City
- 1 Residential tenant in the City
- 1 Homeowner in the City
- 1 Commissioner from the ARHA Board
- 1 Representative of the City's faith community
- 1 Representative of a civic association in the City
- 1 Representative who is employed by or affiliated with an organization that promotes and maintains affordable housing
- 2 Financial professional with knowledge and experience in the field of finance
- 1 Representative of an employer in the city who employs at least 100 employees
- 1 Licensed and practicing attorney
- 1 Person designated by, but who need not be a member of the Commission on Aging
- 1 Person who is either an employee of the City or the Alexandria City Public Schools
- 1 Person who represents housing consumers under 30 years of age
- 2 Representatives of the City's small business community, including the retail, restaurant, or hospitality sectors
- 1 Person designated by, but need not be a member of, the Commission on Persons with Disabilities

Voting Members between July 2018 and June 2019:

Robyn Konkel, Chair
Katharine Dixon
Michael Butler
Carter Flemming
William Harris
Peter-Anthony Pappas
Michelle Krockner
Jon Frederick
Mary Parker (membership ended February 2019)
Marian Wiggins (membership ended October 2018)
Yasin Seddiq (membership ended February 2019)
Nechelle Terrell (membership ended September 2018)
Holly Hanisian
Michael Doyle
Dan Brendel (membership ended June 2019)
William Alexander
Zachary DesJardins (membership began April 2019)
Frank Fannon (membership began January 2019)
Annette Bridges (membership began November 2018)
Shelley Murphy (membership began November 2018)



OFFICE OF THE CITY MANAGER
301 King St., Suite 3500
Alexandria, VA 22314

MARK B. JINKS
City Manager

703.746.4300
Fax:
703.838.6343

August 5, 2019

Dear City Board, Committee, and Commission Chairs,

I would like to express my sincere appreciation for your service on one of our City boards, committees and commissions. Your commitment helps represent the voices of our community throughout the budget process. Your expertise, knowledge and interest identify areas for the City to continue to grow as we strive to meet the expectations of the residents we serve.

The FY 2020 approved budget funded items that would assist Alexandria in becoming a **smart**, **equitable** and **green** City. These three pillars represent important and emerging issues identified by City Council, many of the boards, committees and commissions, and departments. Ultimately, some key initiatives in these areas were funded including the implementation of a new customer relationship management system, a racial and social equity officer position, and the adoption of a new and updated Environmental Action Plan.

Last year, departments worked diligently to complete the implementation of Priority Based Budgeting by costing and scoring all City services. This assisted in the identification of \$4.8 million in budget resources which were able to be reallocated to high priority program areas. This year departments will utilize the service rankings to inform submissions for reduction targets. Throughout this process, staff will be asked to assess their current budget for efficiency savings and reallocations from lower priority services to higher priority services. In addition, City staff will undertake a significant update to the City's 10-year Capital Improvement Program including a detailed review of cost estimates, timing of projects, city and school facility needs and priorities.

I would appreciate input on the priorities of your board, committee or commission to help inform my budget priorities and decision making. Specifically, it would be helpful to know the policy and programmatic areas under your respective purview that are (1) the highest priorities and (2) areas where additional resources (if available) should be applied. As was the case in FY 2020, I see ongoing budget focus on making further, smart, equitable, and green program progress in FY 2021, as well as focusing on improving the City's competitive position in attracting and retaining

employees. Your feedback will assist City staff in developing budget proposals that support the priorities of our community at large.

Please provide feedback to me, coordinated through your staff liaison, by **Friday, October 4, 2019**. There will be additional opportunities to provide input in the budget process through the department for which you provide advice and counsel and at the budget public hearing in March. Thank you in advance for your priorities as we begin the development of the FY 2021 budget.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark B. Jinks', followed by a horizontal line.

Mark B. Jinks
City Manager

cc: The Honorable Mayor and Members of City Council
Morgan Routt, Director, Office of Management & Budget
Staff Liaisons to Boards, Committees and Commissions
Department Directors

Housing Master Plan Progress Report

Period: FY19 Q1-Q4

City of Alexandria, Office of Housing

Updated: 08.19.19

TYPE OF ACTIVITY	FY19 Q1-Q4 Impact (Jul 2018-Jun 2019)			Prior Reported Impact (Jan 2014-Jun 2018)	Total Impact (Jan 2014-Jun 2019)	Housing Master Plan (Jan 2014-Dec 2025)	
	Completed	Underway	Pipeline	Prior Completed	Total Completed	Target	Balance
Rental Units Created or Preserved/Rehabilitated	20	195	93	191	211	660	449
Created	Jackson Crossing			78			
	The Nexus at West Alex (Gateway at King and Beauregard)	74					
	New Hope Veterans Home (Aspen Street)			3			
	Carpenter's Shelter	97					
	Fairlington Presbyterian Church		81				
Preserved	Arbelo Apartments			34			
	Longview Terrace Apartments			41			
	Community Lodgings			7			
	Lynhaven Apartments			28			
	Lacy Court Apartments	20	24				
	Bellefonte Permanent Supervised Apartments		12				
Units Created through the Development Process	9	17	146	93	102	336	234
Alexandria Memory Care Community (Silverado)				2			
Goodwin House			6				
Cambria Square (Pickett's Place/The Delaney)				4			
Notch 8				12			
Station 650 at Potomac Yard				8			
The Bradley (Braddock Station/Braddock Metro Place)				10			
Parc Meridian at Eisenhower Station				33			
The Thornton (Hunting Terrace)				24			
2901 Eisenhower Avenue		13	8				
Oakville Triangle Site			65				
Gables Old Town North (ABC/Giant site)	9						
Braddock Gateway Phase II			4				
Potomac Yard Landbay H/I			9				
Sunrise Senior Living		2					
Block 6A*		2					
Eisenhower East Block 20			15				
1200 North Henry			11				
Monday Properties			5				
Silverstone Senior Living			7				
Braddock Gateway Phase III			4				
600 Royal Street (Bus Barn)			12				
Beauregard Committed Units	0	113	0	198	198	494	296
St. James Plaza (Fillmore)				93			
Church of the Resurrection		113					
Southern Towers				105			
Units Created or Preserved through Redevelopment Support to ARHA	0	52	0	0	0	174	174
Ramsey Homes		52					

* Project also includes three units affordable at 80% AMI.

TYPE OF ACTIVITY	FY19 Q1-Q4 Impact (Jul 2018-Jun 2019)	Prior Reported Impact (Jan 2014-Jun 2018)	Total Impact (Jan 2014-Jun 2019)	Housing Master Plan (Jan 2014-Dec 2025)	
	Loans Closed/Grants Issued	Prior Closed/Issued	Total Closed/Issued	Target	Balance
Rental Accessibility Modification Projects [Grants]	1	12	13	24	11
Homebuyer Loans	3	40	43	72	29
Homeowner Rehab Loans /RTA Projects [Rebuilding Together Alexandria Grants]	4	90	94	240	146

HOUSING MASTER PLAN PROGRESS REPORT SUMMARY	FY19 Q1-Q4 Impact (Jul 2018-Jun 2019)	Prior Reported Impact (Jan 2014-Jun 2018)	Total Impact (Jan 2014-Jun 2019)	Housing Master Plan (Jan 2014-Dec 2025)	
	Created & Preserved (Completed) Units/Loans Closed/Grants Issued			Target	Balance
TOTAL	37	624	661	2,000	1,339

TYPE OF ACTIVITY	FY19 Q1-Q4 Impact (Jul 2018-Jun 2019)			Prior Reported Impact (Jan 2014-Jun 2018)	Total Impact (Jan 2014-Jun 2019)
	Completed	Underway	Pipeline	Prior Completed	Total Completed
Workforce Affordable Units (70-80% AMI) Created through the Development Process	0	3	10	0	0
Block 6A (also see above)		3			
Park Center			10		

FY 2020 Affordable Housing Development Funds Financial Report | August 29, 2019

Balance Remaining: \$4,000,000

Revenues

	2019						2020						
	July	August	September	October	November	December	January	February	March	April	May	June	Total
Developer Contributions Received	\$0	\$158,384	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$158,384
Multifamily Loan Repayments	\$66,896	\$4,526	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$71,422
New Revenue Allocated by City Council	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000,000
Total	\$4,066,896	\$162,910	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,229,806

Commitments & Reservations

	Start	July	August	September	October	November	December	January	February	March	April	May	June	FY Total	Running Total
Housing Trust Fund (HTF)															
Rebuilding Together Alexandria (RTA)	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000
Pilot Rental Assistance	\$870,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$870,000
Braddock Small Area Plan Fund	\$1,334,080	\$0	\$89,193	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,193	\$1,423,273
Housing Trust Fund (HTF) Total	\$2,204,080	\$50,000	\$89,193	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$139,193	\$2,343,273
Housing Opportunity Fund (HOF)															
Wesley - Fairlington Presbyterian Church	\$7,250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,250,000
Friends of Guest House	\$145,000	\$0	-\$42,361	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$42,361	\$102,639
ARHA - Set Aside	\$1,400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,400,000
ARHA - Ramsey Homes	\$3,179,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,179,680
AHDC - Operating	\$275,000	-\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$275,000	\$0
AHDC - King & Beauregard	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$700,000
AHDC - Ellsworth	\$1,800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,800,000
AHDC - Carpenter's Shelter / The Bloom	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,700,000
AHC - Church of the Resurrection / The Spire	\$5,249,290	\$0	-\$5,249,290	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$5,249,290	\$0
Housing Opportunity Fund (HOF) Total	\$21,698,970	-\$275,000	-\$5,291,651	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$5,566,651	\$16,132,319